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ABSTRACT

The California Office of Child Development's child care and development program is designed to ensure an environment conducive to the development and growth of young children and provide parents the opportunity to work or prepare for employment to support their families. It is also intended to prevent or lessen child abuse or neglect and provide care to children of incapacitated parents. The guidelines described in this document cover all areas of the child care and development program, including the administration of community-based programs, the distribution of funds to county welfare departments for ongoing child care services, the administration of children's center programs, and innovative demonstration programs that meet special child care needs. Following sections devoted to state administration, contracts, and eligibility, guidelines are presented for admissions and enrollment in the state's six major admission categories: (1) general child care, (2) state-funded migrant child care and development, (3) federal base migratory program, (4) campus child care and development, (5) school-age parent and infant development, and (6) part-time child care. Further sections cover fee schedules, program components, agency administration, due process, and guidelines for resources and referrals, alternative payments, and contract management. (JBM)

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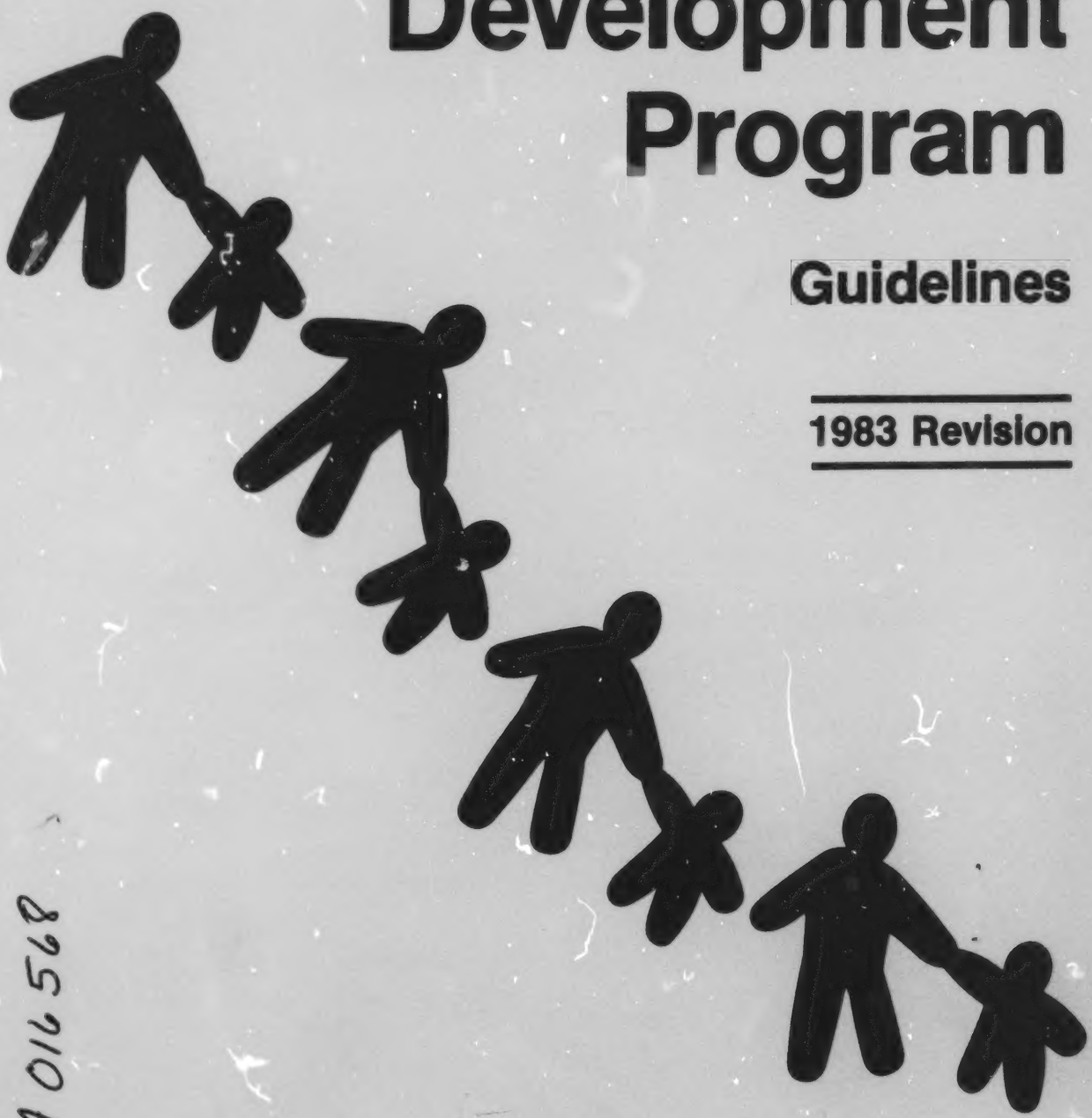
Guidelines

1983 Revision



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Bill Honig—Superintendent of Public Instruction • Sacramento • 1983

Child Development Program

Guidelines

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The State Department of Education's (SDE) Office of Child Development (OCD) has the responsibility for administering a variety of programs for children. All programs, while possessing different titles which often refer to their original legislative designation, fall into one of two categories: (1) child care and development service programs; or (2) preschool programs. These guidelines cover those child care and development programs which provide child care and development services. Each child care and development program described herein reflects legislative acknowledgement of a need to be met and of specific child populations to be served in California.

A child care and development program is defined as a group of child care and development services provided for a period of less than 24 hours a day by public or private agencies. These include developmental and instructional activities for infants, preschool, and school-age children; full or part-day supervision in an approved program; and a full complement of other related services for children and their families.

California has a long history of providing child care services, commencing with the passage of the Lanham Act of 1943. The Lanham Act established children's centers for children whose mothers were employed in wartime industries. The State Department of Education administered the children's center services, and the programs were initially operated exclusively by school districts and offices of county superintendents of schools.

The first major step toward providing a comprehensive child development service was taken in 1972 when the California Legislature passed the Child Development Act (AB 99/72). This legislation placed the administrative responsibility for all publicly subsidized child care and development programs within the State Department of Education and further defined child development as including an educational component. Child care and development programs serve two purposes: they provide a safe, healthful environment conducive to the development and growth of young children; and they provide the opportunity for the parents of children to support their families through employment or to prepare for employment. State law mandates that educational development be included as an integral part of the services that are offered.

An additional purpose of child care and development programs is to prevent or lessen child abuse or neglect. Child care and development services are provided to children whose need for protective services has been established by the county welfare department or other social, medical, or legal agencies which have referred the family. In such cases, child care may be utilized to alleviate

family stress situations. Similarly, child care and development services are made available to incapacitated parents who cannot give adequate care to their children without assistance.

In summary, with the advent of the Child Development Act and legislation in subsequent years, the State Department of Education (1) assumed responsibility for the administration of the community-based programs; (2) provided funds to county welfare departments for ongoing child care needs; (3) continued to administer the children's center programs; and (4) expanded child development programs to include innovative demonstration programs to meet specific child care needs.

201| Administrative Responsibility

The State Legislature has designated the Department of Education as the state agency responsible for the development, promotion, and administration of child care and development services (Education Code Section 8206).

Among specific responsibilities assigned to the Department of Education are:

I. Adoption of Rules and Regulations

Adoption of rules and regulations pursuant to the administration of child care and development services (Education Code Sections 8260, 8261).

II. Development and Coordination

Development and coordination of resources, provision of technical assistance, and program monitoring (Education Code Section 8260).

III. Delivery of Child Care and Development Services

Delivery of child care and development services through agreements with local agencies (Education Code Section 8262).

IV. Licensure

Licensure (under agreement with the State Department of Social Services, Community Care Licensing) of all group facilities under contract with the Department of Education for provision of child care and development services, unless they are licensed by the state licensing agency or exempted from licensure (Education Code Section 8262).

V. Apportionment of State Support

Apportionment of state support for child care and development programs (Education Code Sections 8265, 8268, 8269).

202| Child Care and Development Programs

Child care and development services in facilities licensed pursuant to the California Health and Safety Code are offered to children whose ages range from birth to fourteen years. An exception to the maximum age limitation does occur in seven programs

which serve severely handicapped young people through age twenty-one. Most of the children served are below school age, however. The categories of the programs administered by the Office of Child Development are general child care and development programs, special programs, and the State Preschool Program.

I. General Child Care and Development Programs

The six major child care and development programs currently administered by the State Department of Education are General Child Care and Development Programs (including contracts with county welfare departments); Migrant Child Care and Development Programs; Campus Child Care and Development Programs; School-Age Parent and Infant Development Programs; Alternative Payment Programs; and Resource and Referral Programs:

A. General Child Care and Development Programs. General child care and development programs utilize, individually and in combination, child development centers, family day care homes, and in-home care. All these delivery systems offer similar services that include, but are not limited to, basic supervision, educational experiences, health services, parent education, staff development, nutrition services, and social services. Although some care is provided for infants, most programs serve preschool-age and school-age children. These programs are operated by a variety of private proprietary, private nonprofit, and public agencies, including county superintendents of schools, school districts, county welfare departments, and cities.

B. Migrant Child Care and Development Programs. Migrant child care and development programs serve infants and older children while their parents are employed in fishing, agriculture, or agriculture-related work. The centers are open for varying lengths of time during the year depending upon harvest activities in the area.

C. Campus Child Care and Development Programs. Campus child care and development programs are intended primarily to care for the children of students on two-year and four-year college or university campuses. In addition, they frequently serve as training sites for students enrolled in child development programs at the college or university. These programs are similar to the general child development programs described previously.

D. School-Age Parent and Infant Development Programs. To enable continued progress toward a high school diploma, a number of school districts are funded to establish programs for secondary school-age parents and their children. Parent education (theory and practice) is offered at the participating high school for all interested students and is a requirement for school-age parents with children enrolled in the child development program. A career development plan for each school-age parent is also required. The child development program frequently serves as a training medium for students interested in a child care career.

E. Alternative Payment Programs. Alternative payment programs offer an alternative to child care modalities which concentrate on center-based care. The purpose of these programs is to offer an array of day care arrangements that may include in-home care, family child care homes, and child care and development centers. Payment to the licensed care provider selected by the family is made by the alternative payment agency as a vendor payment to the provider or, infrequently, as a voucher to the parent who then pays the provider.

F. Resource and Referral Programs. Resource and referral programs provide information about available child care to parents and coordinate community resources for parents and child care providers. Resource and referral programs do not directly provide subsidized child care.

II. Special Programs

In addition to the programs previously described, a number of other programs have been designed to meet special needs. They include Intergenerational Child Care and Development, Special Programs for Handicapped Children, and the State Preschool Career Incentive Program.

A. Intergenerational Child Care and Development. As a pilot project to demonstrate the benefits to elderly participants and to children, intergenerational child care has been implemented in two communities, one in the northern portion of the state, and the other in the southern portion.

B. Special Programs for Severely Handicapped. These programs serve children who are profoundly disabled and who, because of the disability, cannot be served in a

regular child care and development program. Among those served by these programs are developmentally disabled children, trainable mentally retarded children, autistic children and seriously emotionally disturbed children who require intensive instruction and training.

C. State Preschool Career Incentive Program

1. The State Preschool Career Incentive Program is unique in that it serves college students who are employed as aides or teachers (or both) in the State Preschool Program. It provides funds for persons who desire or need college credits for permits or credentials for child development programs.

2. The State Department of Education reimburses students for the exact amount of tuition charged for units completed as well as for the cost of books. Maximum reimbursement to participants is established annually, based on the availability of funds.

203 Compliance Process

Each center is reviewed to ensure compliance with applicable state regulations and policies. Both announced and unannounced visits are conducted for this purpose. An unannounced visit is always made in response to a complaint.

The Contract Monitoring Report (Form CD-9201) is used to monitor the agency's compliance with the terms of the contract, "Funding Terms and Conditions," applicable state regulations, and the Child Development Guidelines.

204 Notice of Noncompliance

If, during the contract monitoring review, an agency or facility is found to be out of compliance with any of the regulations or contract provisions, a Notice of Noncompliance (CD-9201) is prepared and presented to the agency's director, and an agency plan for correcting the out-of-compliance items is required within thirty (30) days. A reasonable time is allowed the agency to reach compliance. If compliance is not accomplished in a timely fashion, however, the contract may be terminated or an apportionment withheld.

301 | Contract Period

Child care and development services, as provided for under Chapter 2 of Part 6 of the Education Code, are delivered through contracts between the State Department of Education and local agencies. The contract period is from July 1 through June 30.

302 | Application Procedures for Prospective Contractors

I. Letters of Intent

A. The Office of Child Development will accept and maintain a file of letters of intent from individuals and from public, private, private nonprofit, or proprietary agencies that have expressed interest in providing subsidized child care and development services.

B. Interested organizations or persons should address letters of intent to:

Office of Child Development
State Department of Education
721 Capitol Mall
Sacramento, CA 95814

II. Expansion or Replacement

When expansion funds become available or when existing programs are to be replaced, the Office of Child Development will:

A. Announce the availability of expansion funds and send applications to all agencies and persons who have submitted letters of intent to operate a new program. Applications for replacement programs in a given geographical area will be sent to those persons who have submitted letters of intent to provide services in that area. The interest of other agencies, including those in the area under contract to OCD, may be solicited.

B. Review and rank the applications in accordance with objective criteria and procedures established for this purpose. Agencies with higher ranks may be visited. The visit may include review of program, administration, and facility.

C. Inform the local applicant agency if the application has been approved or disapproved.

D. Negotiate contracts with successful applicants, authorizing the agencies to develop and implement a program and to claim reimbursement for approved expenditures.

401| Child Care and Development Programs

Eligibility and need criteria described in this section apply directly to General Child Care Programs. Variations by program type are described in Sections 403, 404, 405, and 406.

To receive state subsidized child development services, families must meet at least one criterion in both "eligibility" and "need" areas. No conditions of eligibility in addition to those prescribed by this chapter, such as United States citizenship, may be imposed on applicant or recipient families. However, the governing board of a school district, community college district, or the county superintendent of schools may specify the conditions under which a child living outside the district may be served. (Education Code Section 8322)

I. Eligibility

Eligibility may be established by one of the following:

A. The parent(s) or child(ren) or both are current recipients of one of the following:

1. Aid to Families with Dependent Children (AFDC)
2. Supplemental Security Income (SSI) or State Supplemental Program (SSP)

B. Income eligible. For an applicant family to be eligible, gross monthly income must be at or below 84 percent of the state median income, adjusted for family size. Income eligibility is based on family size and the amount of current gross monthly income earned by those family members. For seasonally employed families, gross monthly income is the average monthly income for the prior 12 months. Once admitted to service, eligibility continues until income exceeds 100 percent of the state median income, adjusted for family size. When the number of family members and the amount of family income have been determined, eligibility may be established by reference to the family fee schedule; or

C. Eligible without regard to income.

1. Child development services may be provided, regardless of the amount of family income, to any family referred because of a need for protective services, pursuant to Section 401.II.A.
2. Resource and Referral services are available to all families without regard to income.

II. Need

In addition to meeting one of the eligibility requirements above, the family must also need child development services because of one of the following conditions:

A. The child is abused or neglected or at risk of abuse or neglect and:

1. Is a recipient of child protective services and has a written referral from the County Welfare Department (or other agency authorized by California law to provide child protective services); or

2. Has a written referral from a legal, medical, or social service agency which states that the child is abused, neglected, or exploited, or at risk of abuse, neglect, or exploitation; or

B. The parent OR caretaker* and any other adult counted in the family size is employed; or

C. The parent or caretaker and any other adult counted in the family size is seeking employment. The family's period of eligibility for this purpose is limited to 60 days during the fiscal year; or

D. The parent or caretaker and any other adult counted in the family size is participating in vocational training leading directly to a recognized trade, paraprofession or profession.

When child care in support of vocational training is authorized, such plan shall be carefully reviewed by the agency providing service at the beginning of each semester or quarter (whichever is applicable) to determine that progress is being made toward the vocational goal as specified in the certification and eligibility documents; or

*Whenever the word "caretaker" appears in section 400, it means the person(s) who makes a home for the child not living with his or her parent(s), and who assumes responsibility for the care and welfare of the child.

E. The parent or caretaker and any other adult counted in the family size is medically or psychiatrically incapacitated to the extent that the parent's ability to provide normal care for the child is significantly limited, as verified by a professional who is otherwise qualified pursuant to law to make such a determination.

F. The child's special needs cannot be met without provision of child day care, because the child is medically or psychiatrically incapaciated, as verified by a professional who is otherwise qualified pursuant to law to make such a determination.

402| Severely Handicapped Children

A child must need child care because of a physical, mental, or emotional handicap of such severity that he or she cannot be adequately or appropriately served in a regular child care and development program, and must, therefore, be cared for by persons who have special training and experience.

Documentation of the child's disability from a licensed physician or a medical or psychiatric institution must be maintained in the agency's files. Such documentation establishes both eligibility and need for child development services.

403| State-Funded Migrant Child Development Services

Eligibility

In addition to meeting the eligibility and need requirements in Section 401, families served by migrant programs must have earned at least 50 percent of their income during the past 12 months from employment in fishing, agriculture, or agriculture-related work.

Eligibility shall be determined and certified by completion of the Application for Migrant Child Development Services (CD-9602).

404| Federal Base Migratory Program (FBMP)

Eligibility to participate in the FBMP shall be determined for each child in the family applying for service. The only eligibility consideration is whether or not the child is "currently migratory" or "formerly migratory" as defined below. All other eligibility criteria are irrelevant.

I. Currently Migratory Child

A currently migratory child is one:

A. Whose parent or guardian is a migratory agricultural worker or a migratory fisher; and

B. Who has moved within the past 12 months from one school district to another to enable the child, the child's guardian, or a member of the child's immediate family to obtain temporary or seasonal employment in an agricultural or fishing activity. (Note: A newborn infant whose family's residence has not changed since his or her birth is not considered to be a currently migrant child.)

II. Formerly Migratory Child

A formerly migratory child is one who was eligible to be counted and served as a currently migratory child within the past five years, but does not now meet the "currently migratory" definition.

In order to qualify in the FORMERLY category, the child must have been previously eligible as a CURRENTLY migratory child. Therefore, it is possible that a family with one or several children who are eligible in the FORMERLY category might also have one or several younger children who are not eligible because they meet neither definition.

405| School-Age Parent and Infant Development Services

I. Eligibility

A. Parents. Must be enrolled in a secondary school and working toward completion of a secondary school education resulting in a diploma; AND the parent must need care for the infant or toddler in order to continue with his or her education.

B. Pregnant students. Must be enrolled in a secondary school and working toward completion of a secondary education resulting in a diploma.

C. Infants. There is no minimum or maximum age the infant must attain to be eligible. The infant or toddler remains eligible as long as his or her parents are participants in this program.

II. Agency Responsibility

A. Agencies shall provide opportunities for nonparent secondary students to enroll in the parent education components on an elective basis.

B. Agencies shall inform the pregnant student of the infant care component provided by the School-Age Parent and Infant Development Program so that the student may make the necessary transition into this program after the delivery of her baby. This transition should provide for adjustments in her classes so that the loss of school credits is minimized.

406 Certification of Eligibility for Child Development Programs

I. Prior to Enrollment

Agencies shall determine and certify eligibility by completion of the following forms:

A. Application for Child Development Services and Certification of Eligibility shall be entered on forms provided for that purpose by the Office of Child Development, unless prior authorization is secured to use agency-developed forms.

Agency staff shall meet in a face-to-face interview with parents to complete the application and recertification form. Eligibility determination, both initially and at the time of recertification, requires that the parent cooperate with the agency in supplying the necessary verification information in sufficient time to allow the agency to certify eligibility within 30 days for the date of application for the initial application, or in the case of recertification, before the current certification period expires. Failure to do so shall result in denial or termination of service.

B. Notice of Action for State-Funded Child Development Agencies (Application for Service (CD-7617)). This form must be given or mailed to the applicant within 30 days

after the application is filed. The form must state whether service has been approved or denied (see Section 900). A copy of Form CD-7617 shall be retained in the family file.

II. Change After Enrollment

A. A Notice of Action for State Funded Child Development Agencies (Recipient of Service (CD-7617A)) must also be given or mailed whenever change occurs in the hours of service, the parent fee, or service is terminated. Such notice must be given or mailed at least ten days in advance of the intended action.

B. When a family withdraws a child without notice and/or moves without leaving a forwarding address, a notation of this fact shall be entered in the family record and a Notice of Action need not be sent.

C. At the time of application and recertification, families shall be informed of their responsibility to notify the agency of any changes in family income, family size, or need for child care and development services.

407 Assessment of Income and Family Size for Income Eligible Families

Income and family size are important considerations for determining the eligibility of income eligible families. The income of all persons determined to be family members is counted in accordance with the provisions of Section 408.I below.)

I. Income Sources

A. Gross Income

Monthly gross income means the monthly sum of income received by an individual from the sources identified by the U.S. Census Bureau in computing income. Monthly gross income for migrant farm workers and other seasonally employed persons may be computed by averaging total gross income received during the previous 12 months. The amount of monthly gross income shall not be reduced because of voluntary or involuntary deductions, except for verified payments for child support made by the family receiving service.

B. U.S. Census Bureau sources of income are as follows:

1. Money wages or salary
2. Net income from nonfarm self-employment
3. Net income from farm self-employment
4. Social Security
5. Dividends, interest on savings or bonds, income from estates or trusts, net rental income or royalties
6. Public assistance or welfare payments
7. Pensions and annuities
8. Unemployment compensation and disability insurance benefits
9. Workers' compensation
10. Alimony
11. Child support
12. Veteran's pensions

C. Exclusions from computation of monthly gross income:

1. Per capita payments to or funds held in trust for an individual in satisfaction of a judgment of the Indian Claim Commission or the Court of Claims.
2. Payments made pursuant to the Alaska Native Claims Settlement Act to the extent such payments are exempt from taxation under Section 21(a) of the Act.
3. Money received from sale of property, including stocks, bonds, a house, or a car (If the person was engaged in the business of selling such property, the net proceeds shall be counted as income from self-employment.)
4. Withdrawals of bank deposits
5. Loans
6. Tax refunds
7. Gifts
8. Lump sum inheritances or insurance payments
9. Capital gains
10. Value of the food stamp coupon allotment in excess of the amount paid for the coupons
11. Value of USDA donated foods
12. Value of supplemental food assistance under the Child Nutrition Act of 1966 and the special food program for children under the National School Lunch Act

13. Payment received under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970

14. Earnings of a child under fourteen years of age

15. Loans, grants, and scholarships obtained under conditions that preclude their use for current living costs

16. Grants or loans to students for educational purposes made or ensured by a state or federal agency

17. Home produce utilized for household consumption

II. Family Size

A. General

Family size is determined by the number of adults and children related by blood, marriage, or adoption who comprise the household in which the child is living. However, an adult living in the household who is neither the parent of the child nor the spouse of the parent shall be excluded from the family size determination when such exclusion is to the advantage of the family. Any children of an adult so excluded are also excluded.

B. Family of One

When a child is living with other than a natural or adoptive parent, he or she may be considered a family of one. If the child is living with relatives who are not his or her parents, he or she may be determined to be a family of one, or the child and relations living in the household may be counted as a single family. The option giving the family the greater advantage shall be selected. When a child is considered a family of one, eligibility is determined on the basis of the child's status as a public assistance recipient, or on his or her income if he or she is not receiving public assistance, and need is related to the child's need for child development services (1) because of risk of abuse or neglect; (2) because of a medical or psychiatric special need of the child or foster parent, as verified by a licensed professional who is otherwise qualified pursuant to law to make such a determination; (3) because his or her foster parents are unable to provide care because

of a need to seek work, are employed, or are engaged in vocational training leading directly to a recognized trade, paraprofession, or profession.

C. Exceptional Arrangements

When a child's principal residence alternates frequently between the homes of separated or divorced parents, eligibility and fees shall be determined in respect to the family composition and income in the household in which the child currently resides.

Need (Section 401.II) must be established for all periods during which care is given.

408 Recertification

I. Agency Responsibility

Agencies must recertify and verify the eligibility of each family enrolled in a child development program:

A. Within thirty (30) days whenever the family size, income, public assistance status, or need changes, or

B. At intervals not to exceed six (6) months; three (3) months, where eligibility and need is related to protective services.

When need and eligibility are based on a need for protective services, the agency shall obtain from the referring source (or other agency currently providing service directly related to the need for protection) written confirmation that the need for child care and development services continues. This written statement must certify that the family has entered into a protective services plan with the county welfare department (or other agency authorized by California law to provide protective services). All eligibility and need data must be secured in sufficient time to permit recertification prior to the next three-month period.

II. Use of Forms for Recertification

Family eligibility and certification thereof shall be entered on the application form, appropriate for program type, as provided by the Office of Child Development. Agency-developed forms may be used, with prior written Office of Child Development approval.

409| Verification of Eligibility

I. AFDC, SSI/SSP (Status Eligibility)

Status eligibility shall be verified by viewing the applicant's current Medi-Cal card, by viewing the assistance check, or through contact with the county welfare department.

1. The Medi-Cal card numbers utilize the following format:

County Number	Type of Aid	Serial Number	Family Budget Unit	Person's Number
00 (First Position)	00 (Second Position)	0000000 (Third Position)	0 (Fourth Position)	000 (Fifth Position)

(a) The first two digits identify the service county.

(b) The second two digits identify the aid category, as follows:

10	Aged	Aid to the Aged
20	Blind	Aid to the Blind
30	AFDC-FG . . .	Aid to Families with Dependent Children - Family Group
32	AFDC-FG (MM) .	Aid to Families with Dependent Children - Family Group (Money Management)
33	AFDC-U (MM) .	Aid to Families with Dependent Children - Unemployed Parent (Money Management)
35	AFDC-U	Aid to Families with Dependent Children - Unemployed Parent
38	AFDC-CNST . .	Aid to Families with Dependent Children - Children not in school or training and not receiving grant
40	AFDC-BHI . . .	Aid to Families with Dependent Children - Boarding Home and Institutions

42 AFDC-BHI . . . (federal) — Aid to Families with Dependent Children - Boarding Home and Institutions

60 Disabled . . . — Aid to the Disabled (SSI/SSP)

These are the only numbers which indicate cash grant status.

2. Not all cash grant recipients will have Medi-Cal cards. Those who have elected to participate in prepaid health plans under contract with the Department of Health Services will have identification cards which are issued on an irregular basis. The cards are, therefore, not suitable for verifying cash grant status.

II. Income Eligibility

A. Gross monthly family income shall be verified by observing the statement of earnings which accompanies payment from the employer. A record of such observation showing the date of the payroll warrant, the period of the payment, and gross earnings shall be entered in the certification. Where income is received as cash, rather than by check, the amount shall be verified by a written statement from the employer, secured either by the family seeking child care or by the agency with the family's consent. The written statement shall be maintained in the family record, and reference to the amount verified by the written statement shall be entered in the certification document. When earnings received as cash cannot be verified by reasonable attempts, the family's signed statement shall be accepted.

For migrant families served in state-funded programs, the amount of income is that declared on the signed application. Verification is not required.

If income fluctuates significantly, the amount of earnings shall be reviewed as often as is necessary to assure eligibility and the appropriate fee assessment.

B. For income-eligible families, the family size for purposes of eligibility and fee determination shall be recorded on the certification form.

501 Admission Procedures

I. Agency Responsibilities

Agencies shall develop written policies and procedures which shall include, but not be limited to, the following:

A. Admission criteria designed to guide in the selection of children who can benefit most from the program and services it has to offer

B. Admission procedures appropriate to the individual program, policies, and needs as required by these guidelines

C. Admission policies which include a statement that the agency is operated on a nondiscriminatory basis, according equal treatment and access to services without regard to race, color, religion, national origin, or ancestry.

D. Admission criteria which are in writing and available to the public

E. An admission procedure which includes the following requirements:

1. A plan for parents to share in the decision about the admission of the child to the program and in all later decisions affecting the child

2. An admission plan which provides for orientation of the child to the center

F. Policies relating to family fees

II. Parent Interview

The admission procedure shall include a personal interview or interviews with the parent(s) to exchange information for arriving at a joint decision about the admission of the child.

A. During the interview, the parent(s) shall be given complete information about the agency. This shall include its program, policies, and procedures (including the agency hearing and grievance procedures in Section 900),

activities, services, regulations, hours and days of operation, and other related information unique to the program.

B. During the interview, the agency shall obtain the following information for the records of each child enrolled:

1. Child's name, birthdate, and current address.

2. Enrolling parent's(s') full name(s) and the address(es) and telephone number(s), or guardian's name, address, and telephone number.

3. Name, address, telephone (home and business), and signature of responsible person or persons who are authorized to take the child from the center, and the name and phone number of the person who can assume responsibility for the child in an emergency if for some reason the parent cannot be reached immediately.

4. Name, address, and telephone number of physician to be called in an emergency.

5. As a condition of enrollment, the local agency shall obtain the signed, written permission of the parent or guardian to obtain emergency medical treatment for the child in case the parent cannot be reached in an emergency. This provision shall not apply to any child whose parent(s) or guardian files with the agency a statement in writing that they adhere to the faith and teachings of any well-recognized religious sect, denomination, or organization, and in accordance with its creed, tenets, or principles depend upon prayer for healing in the practice of their religion.

C. Health history, including immunizations and testing which are appropriate to the child's age.

D. Procedures for the care of the child when ill.

E. All health information required by the preadmission health evaluation, as required by the California Administrative Code, Title 22, Section 31265.

III. Parent Orientation

A. Parents are to be informed in writing of the reasonable rules they and their children are expected to follow as a condition of continued service.

B. Written policies regarding the assessment and collection of parent fees, and the possible consequences of allowing fees to become delinquent, are to be explained to parents.

502| Admission Priorities

Applicant families shall be enrolled in child care and development programs in accordance with the following priorities:

I. General Child Care

A. First Priority

Families whose children are receiving child protective services or families whose children are being or are at risk of being neglected, abused, or exploited, as evidenced by a referral pursuant to Section 401, C shall be admitted first. When an agency is unable to enroll a child in this category, the family shall be referred to community resource and referral services for assistance in finding suitable care.

B. Second Priority

All children and families who are not within the first priority for admission shall be admitted in accordance with income. Families with the lowest per capita income shall be admitted first. For purposes of determining the order of admission, the grants of public assistance recipients shall be counted as income.

II. State-Funded Migrant Child Care and Development Programs

The above admission priorities are not applicable to Migrant Child Care and Development Programs. Children of migrant agricultural worker families shall be enrolled in Child Care and Development programs on the basis of the following priorities in the order listed below. Children in the first and second priority groups are required to be registered on the migrant student record transfer system (MSRTS).

A. The family which moves from place to place and is eligible for subsidized migrant housing.

B. The family which has migrated within the past five years and has settled near agricultural areas and whose income is still dependent upon seasonal agricultural work.

C. The family which resides in a rural agricultural area and is dependent upon seasonal agricultural work.

III. Federal Base Migratory Program (FBMP)

Enrollment priorities for the FBMP shall be as follows:

First priority: Currently migratory child with school-age sibling

Second priority: Formerly migratory child with school-age sibling

Third priority: Currently migratory child without school-age sibling

Fourth priority: Formerly migratory child without school-age sibling

NOTE: "School-age sibling" means a child of kindergarten age or older who would have to stay out of school to care for him or her if the child care were not available.

IV. Campus Child Care and Development Programs

Children of students attending the school at which a campus child development program is located shall be admitted first, in the order specified for General Child Care in Section 502, I.

V. School-Age Parent and Infant Development Program

Each local agency shall establish priorities for admitting school-age parents into the School-Age Parent and Infant Development Program and for admitting pregnant students and nonparent students into the parent education component.

VI. Applicants for Part-Time Child Care

Applicants who need less than full-time child care shall not be denied services or assigned a lower priority than families applying for full-time care.

503| Waiting List

Each contractor shall maintain a waiting list in accordance with the enrollment priorities described herein. As vacancies occur, applicants shall be contacted in order of priority from the waiting list.

504| Priorities for Displacement of Families

When services must be curtailed because of limitations on the availability of funds for child care and development services, families shall be displaced in the reverse order of the priorities specified by program type under Section 502.

505| Basic Data File

The contractor shall maintain a basic data file for each family receiving child care and development services. The file shall contain individual cumulative records for each child.

I. Required Documents and Information

A. An application signed by the applicant for child care and agency staff, fully completed to document eligibility and need for all periods during which child care and development services are provided

B. Family Fee Documentation

1. The hourly fee assessment with respect to county welfare departments

2. The daily fee assessment with respect to all other agencies

3. The effective date for each increase or decrease in the parent fee assessment

C. Training Verification (Form CD-9605), if appropriate

D. Medical Statement (when appropriate) (Incapacitated Parent) (CD-9606)

E. Notice of Action for State Funded Child Development Agencies (Application for Service) (CD-7617)

F. Enrollment Change Report (CD-9604)

G. Notice of Action for State Funded Child Development Agencies, Recipient of Service (CD-7617A)

H. Emergency and Identification Information (CD-9607)

I. Child's Preadmission Health Evaluation--Physician's Report (LIC 701)

J. Child's Preadmission Health History--Parent's Report (LIC 702)

K. Referral document for family protective services, when appropriate

L. Other forms and documents as may be required

506| Confidentiality of Information

The use or disclosure of financial or other information maintained in the basic data file concerning enrollees and their families will be limited to purposes directly connected with the administration of the child development program. No other use of this information shall be made without the parents' prior written consent. Parents shall have full access to all information contained in their children's individual basic data files.

507| Age Limitations

I. Child Care and Development Programs

Children who have reached their fourteenth (14th) birthday are ineligible for subsidized services.

II. Special Programs for Severely Handicapped Children

Services to severely handicapped children may be provided for persons from birth to age twenty-one (21).

508| Admission of Siblings

A family which has a child or children enrolled in a child care and development facility shall be allowed to enroll additional children upon request, space and appropriate program permitting. The enrollment priorities cited in Section 502 are not applicable in this situation.

509| Children Placed in Foster Care by County Welfare Departments

In addition to establishing eligibility and need in accordance with Section 400, the admission of a child placed in foster care by a county welfare department must be accompanied by a written statement from the county welfare department indicating concurrence in the plan for child development services.

600| Fee Schedule

In providing subsidized child care there is an expectation that families should participate in the cost of care to the extent that they are able. Accordingly, a fee schedule based on the state median income is compiled each year to assure such participation and to expand services.

I. Legal Basis for Fee Schedule

The legal basis for the fee schedule is the California Education Code, Section 8263.

II. Fee Assessment

Three factors determine the fee amount assessed for each family:

A. Gross monthly family income, as defined in Section 401 B, except that in respect to seasonally employed families, income shall be computed as the average of monthly income for the prior 12-month period

B. Family size (See Section 408, II.)

C. Length of care provided during the day for the family's child who receives care for the longest period

601| Application of the Fee Schedule

I. Statewide Application to All Families

The fee schedule printed on Form CD-2600 for the current program year shall apply statewide to all families who are eligible for subsidized child care and development services.

Exceptions: Families for Whom a Fee Shall Not Be Assessed:

A. Families whose children are enrolled because of a need for child protective services, and have been referred pursuant to Section 401, IIA

B. Families whose income is less than the first entry in the fee schedule, as appropriate for income in relation to family size

C. Families who are receiving resource and referral services only

D. Families whose children are enrolled in the State Preschool Program

E. Families whose children are enrolled in the School-Age Parent and Infant Development Program

F. Families in federally-based migrant programs

G. Families whose children are enrolled in the Severely Handicapped Children Program

II. Assessment and Recording of Family Fees

A. Regardless of the number of children in care a family may have, a fee is assessed only in respect to the child who receives care for the longest period each day.

B. A fee shall be assessed and collected on the basis of enrollment. No fee reduction shall be made in consideration of absences, either excused or unexcused.

C. The parent fee as determined by the fee schedule is the only fee or contribution which may be assessed; it is payment for all of the components of child care. The parent shall not be subject to additional charges for any component of care as, for example, meals, diapers, recreation, late pick-up, or field trips.

D. The agency will document and retain for future audit all records of fiscal transactions related to the assessment and collection of fees.

E. If the parent pays fees to other child care providers at any time during the week, these "other fees" are to be deducted from the family fee paid to the subsidized center during the week following. There is no carry-over for fees beyond the one week. The "other child

care services" must be provided for needs identified in Section 401, II, and payment for such services must be supported by receipts or cancelled checks.

602| Collection of Fees

I. Advance Payment

All parent fees shall be collected weekly, in advance.

II. Alternative Payment Programs

A. When child care is delivered through an alternative payment arrangement, parent fees may be paid, at the option of the contract agency:

1. Directly to the vendor

When this option is selected, the agency shall record the assessed fee and shall report to OCD on the CD-9500 as a collected fee; the amount of reimbursement to the provider is thereby reduced.

2. Directly to the alternative payment agency

When this option is selected, the agency shall record the assessed fee and report to OCD on the CD-9500 the amount of the fee collected.

III. Receipt

Each individual who pays a fee shall receive a written receipt indicating the amount paid, date, hourly or daily rate, and the period of child care service purchased with payment of the fee. A copy of the receipt shall be retained by the child care provider.

603| Delinquent Fees

Since immediate discontinuance of child care and development services is neither in the best interests of service to families, nor even possible in view of the requirement for at least ten days notice in advance of termination, parent fees may become delinquent in spite of the requirement for advance fee payment. However, failure on the part of the parent to keep fee payments current can lead to the termination of child care and development services.

I. Determination of Delinquent Fees

Fees shall be considered delinquent when they are 14 calendar days in arrears.

II. Collection of Delinquent Fees

A. Upon determining that fees are delinquent, the agency director shall give the first written notice to the parent. This notice shall state the total amount of unpaid fees, the hourly or daily rate, and the period of delinquency. The file copy retained by the agency should be signed and dated by the parent.

B. If the fees are still unpaid ten calendar days after receipt of the first notice, a Notice of Action for State Funded Child Development Agencies (Recipient of Service, Form CD-7617A) to terminate service shall be given to the parent. This notice shall make current the information included in the first notice and state that services shall be terminated on the date falling two (2) weeks from the date of the Notice of Intended Action, unless all delinquent fees are paid before such date.

C. If the fees are still unpaid two (2) weeks following the date of the Notice of Action (CD-7617A), the agency director may terminate the service. A six-month period of ineligibility may follow termination of child care and development services when the cause of termination is failure to pay assessed fees.

D. The contractor may accept from the parent a reasonable plan for payment of delinquent fees. Services may continue, provided current fees are paid and provisions of the delinquent fee payment plan are met.

III. Admission Policy

As part of the agency's admission policies, the parent shall receive at the time of the application written information that delinquent fees may result in termination of services.

604 Full-Cost Families

Families that enroll in child care and development programs with gross income that exceeds eighty-four (84) percent of the state's median income, adjusted for family size, are required to pay the full program cost for each child enrolled. Families whose income is at or below 84 percent at initial application remain eligible until income exceeds 100 percent of the state median.

State funds may not be used to pay any portion of the cost of care for families who are not eligible in accordance with state eligibility criteria.

701 Education

I. Educational Program

The education program shall be designed to create an atmosphere which will ensure each child's continued success and interest in learning. In program planning, contractors shall conduct a needs assessment, establish goals, develop measurable objectives, and plan activities which are appropriate for each child. The program shall take into account the ages of the children in the program, the levels of their development, and the ways in which young children learn. A schedule of daily activities should be posted. The educational program shall include, but not be limited to, the elements listed below, as appropriate to the child's age or development.

A. Planned experiences balanced with spontaneous self-directed play in all areas of the curriculum: language, numbers concepts, science, music, and art

B. Emphasis on language development, including opportunities for verbal communication and the effective use of language in all experiences and activities

C. Perceptual training to develop discrimination abilities in visual, auditory, and other sensory modes

D. Cognitive development opportunities leading to concept formation abilities and problem-solving skills

E. Opportunities for creative exploration, self-expression, and aesthetic appreciation (art, music, dance, and drama)

F. Gross and fine motor activities

G. Opportunities for body coordination, balancing, and body movement to enhance physical development

H. Health, nutrition, and safety education

I. Individual activities balanced with interaction with other children and adults in various groups to provide opportunities for emotional growth and social development

II. Multicultural Education

All contractors shall provide multicultural activities appropriate to the needs of the children enrolled, including staff development activities. Special emphasis and materials shall be provided for children from families in which English is not the principal language used in the home.

III. Assessment of the Individual Child

One of the purposes of the education program is to help in the overall development of each child. The value of the program can be measured by an evaluation of what has happened to each child as a consequence of the program.

To guarantee that each child will have an individualized program to permit development to his or her potential, performance objectives should allow for flexibility in relation to expectancies. Objectives should reflect the reality that children differ considerably in their relative abilities, potential, and expectations.

702 Health

I. Health Plan

All programs shall have a health plan which is designed to help children and families enrolled in the program achieve and maintain optimal health. Program personnel caring for children under age two shall develop the health plan in consultation with a licensed physician. Health programs for older children may be developed by a school nurse or a public health nurse. Health education for staff, parents, and children should be an integral part of the plan.

II. Health Evaluation

A. Prior to enrolling the child, the agency must determine that the child is:

1. In good general health

2. Without defects or illness which would endanger other children or make his or her participation in vigorous activities inadvisable

3. Physically and emotionally ready for the particular program offered by the contractor

The contractor must secure information about any special health problems or handicaps which will require attention or limit the child's activities.

B. The above information shall be obtained from:

1. A health history obtained from the parent

2. A physician's report on the child's:

a. General health
b. Physical and emotional maturity
c. Special problems and needs
d. Immunizations
e. Test for tuberculosis

C. The parent shall be required to have the child examined prior to admission if the child has not had regular health supervision and there is no physician who can complete the report on the basis of his or her prior knowledge of the child's health.

Parents who file a written statement with the agency to the effect that obtaining a physician's report is contrary to their religious beliefs shall be exempted from this requirement.

III. Medical Examination

Each child shall have a complete medical examination within one month prior to enrollment or within two weeks following admission to the program. The physical examination should include a statement from a physician that the child is physically and emotionally ready for the program and free from tuberculosis. Also, any special health problems or handicaps which will require special attention or limit the child's activities should be identified. For migrant programs, health and dental screening, follow-up treatment, and maintenance of health records which follow the child are required.

Only children who have been immunized against diphtheria, whooping cough, poliomyelitis, tetanus, measles, mumps, and rubella may be admitted, with the exception of those children whose parents or guardians file a letter with the governing board of the district or agency that a medical examination or immunizations are contrary to their religious beliefs.

Exception: Children under age two may be admitted who have received age-appropriate immunizations as shown in the following chart:

Age at entry evaluation	Vaccine doses required
Younger than two months	None
Two to three months of age	Polio (TOPV) - 1 dose DTP/Td - 1 dose
Four to five months of age	Polio (TOPV) - 2 doses DTP/Td - 2 doses
Six to fourteen months of age	Polio (TOPV) - 2 doses* DTP/Td - 3 doses
Fifteen to seventeen months of age	Polio (TOPV) - 2 doses* DTP/Td - 3 doses Measles) - 1 dose given Mumps) on or after the Rubella) first birthday**
Eighteen months through four years	Polio (TOPV) - 3 doses* DTP/Td - 4 doses Measles) - 1 dose given Mumps) on or after the Rubella) first birthday**

*If inactivated polio vaccine (IPV) or a combination of live polio vaccine (TOPV or OPV) and IPV is used, one or more doses are required.

**A physician's written statement that a child has had measles (rubeola) disease or has had laboratory-confirmed mumps or rubella qualifies the child for a permanent medical exemption from the corresponding vaccine requirement.

IV. Staff Support

A specific staff member should be responsible for supervising the program's health plan. This staff member should keep health records up to date, remind parents to keep appointments for medical and dental examinations and/or follow-up treatments, and assist with transportation arrangements for mother and child when necessary. Bilingual health personnel shall be available to all Migrant Child Development Program sites. The person responsible for administration of the health plan may be a pediatric nurse associate, or a health aide if under the direction of a licensed physician, a nurse practitioner, a licensed public health nurse, or school nurse.

One or more members of the staff should be designated as having primary responsibility for ensuring that children receive needed first aid or emergency medical services. A first aid kit shall be maintained and readily available in a specific location inaccessible to the children.

Arrangements should be made to coordinate efforts with those of local health resource agencies' clinics for immunizations and for vision and hearing screening whenever possible.

V. Comprehensive Record

A comprehensive record shall be maintained at the facility for each child and shall contain the following:

A. Significant physical findings at admission

B. Written report of physical examination

C. Plan for medical care in case of emergency

D. Name of family physician or source of health care

E. Written permission from the family to obtain emergency medical care and permissible alternative sources of care

F. Telephone number and address of place where parents can be reached in an emergency, if possible

G. Competent adult authority to act for parent in case of emergency when parent is not available

H. Notes of staff and/or nurse as to child's health and development

I. Pertinent subsequent physical finding

J. Record of immunization

K. Results of test for tuberculosis

L. Detailed information about illnesses or injuries to the child in the facility and any emergency medical care given

VI. Tuberculosis Clearance Requirement

Both paid and volunteer personnel, including participating parents working in the child care facility, shall have, at least every four years, either a chest X-ray or a tuberculin test of intermediate strength which is verified as negative and recorded conveniently for checking by state personnel or their authorized agents. A positive tuberculin test should be followed immediately by a chest X-ray.

Persons with positive tuberculin and X-ray results shall be excluded from the classroom until they have been certified by a physician as being noninfectious.

VII. Daily Screening Requirement

Each program administrator must provide for the daily examination of each child for indication of illness. Teachers, when trained by a physician, a public health nurse, or a school health nurse, may complete the daily screening and refer children with symptoms of illness to the parent and take other special care that is required. Staff and volunteers should be trained to be alert to signs of a child's physical or emotional distress which may indicate illness or need for special attention. Provisions must be made for the emergency isolation of ill children, for notifying parents when a child is to be excluded because of illness, and for transporting children to a hospital in cases of emergency.

VIII. Restrictions on the Use of Funds

Money should be budgeted for physical examinations and immunizations only for children whose parents are unable financially to secure those services and who do not

qualify for public medical services (Medi-Cal). State funds should be expended only after the contractor determines that families are not eligible for Medi-Cal or other subsidized health services and that the examinations and immunizations cannot be obtained from the county health department or other sources.

703| Nutrition

I. Food and Nutrition Services

Food and nutrition services are important components of child development programs. Each facility having children in care during normal meal and snack times must provide and serve, as a constituent part of the program, meals and snacks which meet the children's dietary needs. Local regulations regarding food handling and preparation must be met by operating agencies. Mealtimes are valuable learning experiences in addition to providing nutrition. Instructional staff members should be expected to sit with the children and talk with them at meals or snacks. This is an opportunity to (1) develop and expand language skills; (2) lead discussions on the sources of various foods; (3) encourage the children to broaden their food tastes; (4) make children more perceptually aware of shapes, colors, flavors, and odors of foods served; (5) promote mathematical concepts when serving children; (6) set standards for acceptable behavior at the table; and (7) promote sociability.

Food is to be provided by the contractor. Parents may not be charged a special fee, or be required to provide a bag lunch.

II. Office of Child Nutrition

All eligible contractors shall apply for special federal child care food program funds, surplus commodities, and nonfood assistance from the State Department of Education. An outline of food support programs for child development programs is available upon request from the Office of Child Nutrition within the State Department of Education.

When projects are operated by school districts which offer a lunch program to students, meals served to children enrolled in child development programs may be provided through contracts with the district food service department if appropriate adjustments are made for young children.

Menu items shall be appropriate in texture and food selection for the age of the children. Program personnel may budget only for those nutrition costs which are in excess of other special food reimbursements.

704| Social Services

I. Social Services

Social services have the goal to assist families and individuals in the family to make appropriate adjustments, to serve as a source of referrals to community agencies, and to provide counseling.

Social services include, but are not limited to, identification of child and family needs and referral to appropriate agencies.

II. Migrant Program Social Services

Social services for migrant children and families shall include these additional components:

A. Bilingual liaison between migrant parents and the center or family child care home, or both

B. Liaison between the contractor agency and relevant community agencies and organizations, including health and social services

C. Identification and documentation of family needs and follow-up referrals as appropriate

705| Parent Education

Regular parent education meetings should be planned at least once a month with the active cooperation of the parents. The meetings should be designed to (1) cover topics of interest to the parents; (2) include items related to the child development program goals, with particular attention to health and nutrition; and (3) strengthen and support existing parent skills and provide information on the parents' role in the child's education and development.

706| Parent Involvement

To the extent possible, working and student parents should be encouraged but not required to be involved in the child development program. A working parent may prepare curriculum materials at home or assist with field trip arrangements; such participation must be voluntary.

I. Social Experiences

The planning and scheduling of family excursions and social events are encouraged. Many persons otherwise reluctant to become closely associated with an education agency will respond to the opportunity to enjoy a social experience arranged with other parents. An occasional get-together which involves no formal "education" program, but which offers socializing and enrichment experiences, helps to establish rapport with parents.

II. Adult Education

Parents may identify mutual special interests aside from the areas of child-rearing and education. When possible, program staff members should encourage and even assist in planning classes according to the expressed needs of parents, such as sewing, cooking, or consumer education. Classes may also be organized under the existing adult education agency in the community.

707| Staff Development

I. In-Service Training

Teaching and supervisory personnel, paid assistants, and community and parent volunteers shall be required to take part in a program of in-service training. The purpose is two-fold. Foremost is the improvement of services for children and families. Second is the opportunity offered for career development and preparation for advancement to more responsible positions. In-service training may be accomplished in a variety of ways. The contractor may require attendance at, and provide for, a program of in-service training led by competent personnel on the staff of the agency, by contract with a recognized educational agency, or by participation in a child development or early childhood education in-service training program

offered by a college or university. Community colleges and adult schools may offer such training without expense to the agency.

II. Needs Assessment

In designing a staff development program, the contractor shall consider the needs, duties, prior training, and education of all staff members, including volunteers. Individuals should be helped to understand the importance of their roles in the program. Their ideas should be respected, welcomed, explored, and tested. Separate preservice training programs may be developed for inexperienced staff or volunteers, separate from those planned for experienced professionals already involved in the program. In-service training programs should, however, emphasize the mutual and complementary roles of professionals and paraprofessionals in the development of the child; and, when possible, specially designed joint training sessions for the professional staff and education aides should be provided.

III. Cooperative In-Service Training

Every effort should be made to provide coordination with other community agencies, professional organizations, or other child development programs which may offer opportunities for cooperative in-service training efforts within a geographic area. The local or nearby resource and referral program may be of particular assistance.

IV. Career Development

Opportunities for career progression shall be offered. Staff shall be encouraged and helped to acquire the competencies necessary for career advancement.

V. Migrant Programs

Training for caregivers and administrative staff of programs for infants shall be a priority for migrant programs.

801| Organizational Structure

Each agency contracting with SDE to provide child care and development services shall delineate the organizational and administrative structure under which the program will operate. One person within an agency shall be responsible for the program with delegation of responsibility to other personnel as necessary. To comply with both Title 22 and Title 5 of the California Administrative Code, an agency must designate a "head teacher" or director as defined by Title 22 for each site operated by that agency. Realistic time allotments should be made so that it is possible for personnel to carry out their duties. Salaries and time assignments should be in accordance with district or agency practice and competitive with those offered by other local public or private agencies for employees with similar training, experience, and responsibility.

802| Assurances

Child development agencies must provide the following assurances:

I. Adherence to Applicable Laws

That programs will meet all applicable state, federal, and local laws.

II. Support of Religious Functions Prohibited

That programs will not include religious instruction or worship, nor will any funds be used for the general support of any private or church-related school system.

III. Fair Employment Practices

That the agency will abide by the requirements of the Fair Employment Practices, Affirmative Action Employment, and the Department of Labor Regulations governing the minimum wage law.

IV. Confidentiality

That the use or disclosure of financial or other information maintained in the individual basic data file concerning enrollees and their families will be limited to purposes directly connected with the administration of the child development program. No other use of this information may be made without the parents' prior written consent.

803| Personnel Policies and Procedures

I. Personnel Standards

The program shall provide for adequate personnel and related staff support services which permit the attainment of the program's objectives.

II. Personnel Policies

There shall be written personnel policies giving job descriptions, qualification requirements, and statements of employee benefits and responsibilities, including a grievance procedure and compensation plan.

III. Staff Capability

All staff members must be of good character and equipped by education, training, and/or experience for the work they are required to do.

IV. Physical and Mental Fitness

All staff members must have the physical and mental fitness appropriate to their tasks.

V. Nondiscrimination

The agency responsible for the administration and/or the operation of a child development program shall not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, sex, age, national origin, or physical handicap.

VI. Affirmative Action

Affirmative action shall be taken to adopt and implement plans for increasing the numbers of women and persons of minority racial and ethnic backgrounds at all levels of responsibility.

VII. Career Advancement

In keeping with the philosophy of providing new careers for the economically disadvantaged, operating agencies shall give priority to employing low-income or welfare recipients. Parents who show aptitude should be hired as assistants to the extent that their employment is feasible. Such

persons should be encouraged to extend their educational preparation.

804| Coordination of Supportive Services

Regardless of the source of the program funds, operating agencies will be serving primarily low-income families. Great consideration in coordinating the efforts of all agencies that offer help to such families is required. Representatives of the education agency, the welfare agency, the health agency, and any other agency which regularly offers services to a family should plan together.

805| Governing Board

Child development agencies shall have a viable and active governing board. Agency policy shall be determined by the governing board or its designees. Records of minutes of duly authorized board meetings shall be retained at the agency and made available to State Department of Education staff for review. The following information shall be kept current and filed with the State Department of Education/Office of Child Development:

- Names and addresses of board members
- A copy of the governing board's Articles of Incorporation (if incorporated) and bylaws

806| Personnel Compensation

Individuals employed in child development programs which contract with the state shall be provided with a copy of the board-adopted salary and benefits schedule.

Any benefit that the governing board makes available to one class of full-time employees must also be made available to all other full-time employees. This includes, but is not limited to, pension plans, insurance, and fringe benefits.

Any benefit that the governing board makes available to one class of part-time employees must also be made available to all other part-time employees. This includes, but is not limited to, pension plans, insurance, and fringe benefits.

901 Agency Hearing and Grievance Procedures

A full and impartial review of an agency's action with respect to an application for or receipt of child development services shall be available to families who request it.

The due process procedure for families applying for or receiving child care and development services involves the following steps:

I. Notice of Action

A. A written notice of action (CD-7617 or CD-7617A) containing information about the right to request a review of the intended action shall be provided to the applicant or recipient when an:

1. Application is approved. (CD-7617)

2. Application is denied. (CD-7617)

3. Existing authorization is adversely altered, discontinued, or reduced or a service fee is instituted, increased, or decreased. (CD-7617A)

B. Timeliness: Notices shall be mailed or otherwise provided in a timely manner.

1. An approval or denial notice shall be provided within 30 calendar days of the date the application is signed. (CD-7617)

2. A notice of action reducing or discontinuing a service or increasing a parent fee shall be mailed or released at least 10 days in advance of the effective date of the intended action (CD-7617A). The 10-day count does not include the day of mailing or the effective day of the action.

C. Scope and adequacy of notice

1. An approval notice shall inform the applicant of the effective date.

2. A notice which denies, reduces, discontinues, or suspends a service or which increases a fee shall include the information concerning the recipient's circumstances which has been used to make the

determination and shall cite the regulations which support the action.

3. If a hearing is requested, notices which alter an existing service authorization shall indicate the circumstances under which the service will continue during the hearing process.

4. All notices of action shall contain information concerning the right to request a hearing and shall meet the requirements for standardized notice formats, including the procedure for exercising that right.

D. Exceptions

The agency may dispense with timely notice, but shall send an adequate notice not later than the effective date of the action when:

1. The agency has factual information confirming the death of the recipient.

2. The agency receives a signed statement from the recipient that the recipient no longer wishes the service.

3. A limited-term services authorization ends, provided the recipient was informed in writing at the time of approval that the allowance would terminate on a specified date.

4. The agency receives a signed statement from the recipient, in response to a prior notice from the agency that a service fee has been increased, that the recipient will not pay the new fee or no longer wishes the service at the new fee.

5. The agency receives a signed statement from the recipient that the recipient will not supply essential eligibility information previously requested in writing by the agency. The original request for information shall clearly state that service will be terminated if the essential information is not received by the specified date. A timely notice shall be sent if the requested information is not received on the specified date.

II. Review Process

A. Requests for administrative reviews must be filed within ten days of the date on which the Notice of Action was mailed (or otherwise delivered).

B. When the complainant files a request for an administrative review within 10 days of the date the notice was mailed (or otherwise delivered), the proposed action shall not be taken until the entire review process is exhausted or the complainant abandons the claim.

C. Within ten calendar days following the receipt of the request, the agency shall notify the complainant of the time and place--convenient for the complainant--for holding the review.

D. General rules and procedures governing the review include the following:

1. At an administrative level at least one step above the level of the person having made the contested decision, the agency shall examine the issues raised in the complainant's request.

2. Attendance at the review shall be limited to those directly concerned. Appearance by the complainant (in person or by authorized representative) is required at the review.

3. At the review, the complainant shall be given an opportunity to explain his or her reasons for believing that the agency's action was incorrect. The agency shall arrange for an interpreter at the review, as appropriate. The agency representative shall, as necessary, assist the complainant to present his or her case by drawing out material facts omitted by the complainant.

4. The agency representative shall give the complainant a full explanation, based on relevant OCD regulations, policies, and guidelines, of the basis for the proposed action.

5. If the review brings to light a previously obscured fact which significantly affects the intended action, or if the review indicates that OCD regulations, policies, or guidelines have been misapplied, resolution in light of these disclosures shall be attempted.

6. Following the review, the agency may rescind the intended action, but may not otherwise modify service delivery relative to the issue until due process procedures have been exhausted or the complainant has abandoned the claim.

7. The agency shall, within ten calendar days of the review, mail or otherwise deliver a written decision to the complainant. If the complainant remains dissatisfied, he or she may, within ten days of the mailing or delivery date, request a review by the agency governing board. In the case of public agencies, this second level of review shall be within agency administration, at least one level above the staff conducting the review at the first level.

8. If within the specified period the complainant fails to request a review by the agency governing board, the agency may implement the action described in the written decision.

9. Within ten days of receiving the written decision, the complainant may request a review by the agency governing board by following the instructions on the notice of action. The complainant should explain fully his or her reasons for believing the agency's action to be in error. A copy of the agency's notice of action and written decision should be enclosed with the request.

10. At the second level of review, the agency shall examine the issues raised in the complainant's request.

11. Attendance at the second level of review shall be limited to those directly concerned. Appearance by the complainant (in person or by authorized representative) is required at the review. The agency shall arrange for an interpreter, as appropriate.

12. At the second level of review, the complainant shall be given an opportunity to explain his or her reasons for believing that the agency's action was incorrect. The agency representative shall, as necessary, assist the complainant to present his or her case by drawing out material facts omitted by the complainant.

13. The agency representative shall give the complainant a full explanation, based on relevant OCD regulations, policies, and guidelines, of the basis for the proposed action.

14. If this review brings to light a previously obscured fact which significantly affects the intended action, or if the review indicates that OCD regulations, policies, or guidelines have been misapplied, resolution in light of these disclosures shall be attempted.

15. Following the review, the agency may rescind the intended action, but may not otherwise modify service delivery until due process procedures have been exhausted or the complainant has abandoned the claim.

16. The agency shall, within ten days of the review, mail or otherwise deliver a written decision to the complainant. If the complainant remains dissatisfied, he or she may, within ten days of the mailing or delivery date, request a review by OCD.

17. If within the specified period the complainant fails to request a review by OCD, the agency may implement the action described in the written decision.

902| State Review

I. Request for State Review

Within ten days of receiving the written decision of the governing board, the complainant may request a review by OCD by following the instructions on the notice of action. The complainant should explain fully his or her reasons for believing the agency's action to be in error. A copy of the agency's notice of action and written decision should be enclosed with the request.

II. Request for Relevant Data

Upon receiving such request, OCD may request the basic data file and all other relevant materials from the agency.

III. Review of Materials

OCD shall review materials submitted by both parties and shall, within 30 days of receiving the request for review, mail a decision to the complainant and to the agency.

903 Compliance

The agency shall comply immediately with the decision and shall within 30 days report to OCD on compliance.

1001 Resource and Referral Agencies

Primary services provided by resource and referral agencies include identifying the full range of existing child care services, establishing and maintaining an information and referral process for parents, maintaining ongoing child care needs documentation, and providing technical assistance and resources to parents and existing and potential providers of care.

I. General Requirements

A. Child care resource and referral services shall be provided to all persons requesting them, regardless of income level or other eligibility criteria, and to all types of child care providers.

B. Each resource and referral agency shall define a specific geographic or target area of service. Program personnel shall work together and in conjunction with the SDE/OCD to prevent overlapping of boundaries and duplication of service. Information regarding the specific service area shall be a part of each agency's annual contract. Changes in boundaries or target areas of service shall require prior written approval from the Department of Education.

C. Program services shall be provided in a manner which is responsive to the diverse cultural, geographic, linguistic, and economic needs of the service area.

D. Each resource and referral agency shall publicize its services through all available media sources, agencies, and other appropriate methods.

E. Each resource and referral agency shall arrange for provision of an ongoing in-service training program for its staff, which at a minimum shall include procedures for handling information and referral functions.

F. Resource and referral agencies shall develop and implement data collection procedures, pursuant to the terms of the contract.

G. Resource and referral agencies shall have a viable and active governing board. Agency policy shall be determined by the governing board or its designees. Records of minutes of duly authorized board meetings shall be

retained at the agency and made available to State Department of Education staff for review. The following information shall be on file with the State Department of Education/Office of Child Development:

- Board members' names and addresses
- A copy of the governing board's Articles of Incorporation and bylaws

II. Service and Program Requirements

A. The full range of existing child care and development services shall include, but not be limited to, family day care homes, public and private day care programs, full-time and part-time programs, and infant, preschool, and extended care programs. Each agency shall:

1. Contact all licensed facilities at least annually to inform the providers of available services and to give them the opportunity to accept or decline referrals.

2. Develop a resource file of services which shall be maintained and updated at least quarterly.

3. Obtain the following information about each licensed provider: type of program; hours of service; ages of children served; fees/eligibility for services; significant program information.

4. Establish an ongoing system for determining the current licensing status of providers. Referrals shall be made only to licensed facilities where such licensing is required by law.

B. The resource and referral program must make information available to families and respect confidentiality.

1. The referral process shall afford parents maximum access to all referral information. This access shall include, but is not limited to, telephone referral available for no less than 20 hours per week.

2. Referrals shall be made whenever possible to a variety of child care providers appropriate to the child's age and the family's needs. Families shall be informed about the availability of subsidized child care.

3. Written referral policies shall be developed, approved by the agency's governing board, and kept on file at the agency. These policies shall include:

   a. Conditions under which referrals to certain providers may be discontinued--If a provider's name on a listing is discontinued, documentation shall be on file. The agency shall notify the provider in writing that referrals have been discontinued, the reason for this decision, and the process for appealing the decision to the governing board.

   b. Procedures for handling complaints or referring reports of licensing violations to the appropriate licensing agency.

C. Procedures must be established for maintenance of ongoing child care needs documentation and gathering of information concerning the availability of child care in the service area. Documentation of requests for service to be maintained by all child care resource and referral agencies shall include:

   1. Number of calls and contacts with the child care information and referral agency or component

   2. Ages of children to be served

   3. Time category for which child care is requested for each child

   4. Need for child care during any special time category (e.g., nights, weekends, swing shift)

   5. Reasons that child care is needed

D. Plans must be made to provide technical assistance to existing and potential providers of all types of child care services. This assistance shall include, but not be limited to:

   1. Information on all aspects of initiating new child care services, including, but not limited to, licensing, zoning, program and budget development, and assistance in obtaining needed information from other sources

2. Information and resources which shall help existing child care services providers to maximize their ability to serve the children and parents of their community

3. Dissemination of information on current public issues affecting the local and state delivery of child care services

4. Facilitation of communication between existing child care providers and child-related services providers in the community served

1101| Alternative Payment Programs

Programs must be designed to meet local needs within the parameters of applicable statutes, guidelines, and regulations and within the constraints of available funds. The elements of an acceptable program include compliance with the provisions of the SDE family fee schedule and fair and prompt assumption of financial responsibilities under the contract.

I. Program Design and Policies

A. Alternative payment programs shall identify a specific geographic service area which must be approved by the State Department of Education/Office of Child Development. Changes in the service area shall require prior written approval from the Department of Education.

B. Alternative payment programs shall provide reimbursement for a variety of child care options in accordance with the needs of the parents. (An agency which limited payments to specific types of care as of July 1, 1980, may be excluded from this requirement.) There shall be choices, whenever possible, among hours of service including before and after school, evenings, weekends, and split shifts. Agencies shall establish and certify family eligibility and maintain all auditable records for review.

C. Alternative payment programs shall develop a written informational statement which must be made available to parents and providers. This information shall include a description of the program's purpose, design, and organizational framework; admissions policies, priorities for enrollment, and family eligibility requirements; conditions for participation and reimbursement of child care providers; limitations on provider participation; range of services available; fee collection policy and procedures; and a statement that the program is operated on a nondiscriminatory basis, giving equal treatment and access to services without regard to race, color, creed, religion, or national origin or ancestry.

D. Each alternative payment program shall provide documentation that subsidized children, as necessary and appropriate, receive supportive services through county welfare departments, resource and referral programs, and other existing community resources, or all of them.

II. Limitations on Provider Participation

A. Payments shall be made for services provided only in licensed centers, licensed family child care homes, family day care homes exempted from licensure by the Health and Safety Code, care provided in the child's home, and for other types of care which conform to applicable law. Verification of current license (or documentation of exemption from licensure, pursuant to the Health and Safety Code) shall be on file at the contracting agency. Verified provisional licenses are acceptable until the expiration date. Providers registered under AB 1368/79 after July 1, 1980, are also eligible for participation.

B. The following information about the caregiver providing in-home care shall be on file at the contracting agency prior to approval for payment:

1. An application form which includes a description of the caregiver's qualifications and experience, to be completed in a personal interview with prime contractor's staff

2. A statement that the caregiver is in good health

3. For nonrelatives, the names, addresses, and telephone numbers of two character references to be contacted by prime contractor's staff

4. California driver's license number or other valid and recognized form of identification to prove that the caregiver is at least 18 years of age

C. Payment shall not be made for child care services which include religious instruction or worship.

D. Alternative payment programs may provide payment to child care facilities with a majority of subsidized children if (1) there is a lack of licensed child care facilities in the area; (2) the facility is able to meet the special needs of a particular child; (3) other reasons upon approval of the Office of Child Development. Such payment may be authorized upon request to the Office of Child Development.

III. Rate of Payment and Cost of Service

A. The payment for subsidized families shall be equal to the fee charged by the provider to nonsubsidized families. Alternative payment programs must have on file a statement of fees charged by each child care provider for the current fiscal year.

B. When only subsidized children are enrolled, payment made by the alternative payment agency to another state supported contractor shall be in an amount equal to the state's per capita reimbursement to the contractor that provides direct service to the child.

C. The payment, including the SDE family fee, shall cover the entire cost of child care services offered by the provider. The parent's portion of the payment is determined by the SDE family fee schedule. Both subsidized and nonsubsidized children attending the same program must have access to services on a nondiscriminatory basis. Eligible parents shall not be charged nor required to pay additional fees to child care providers, e.g., registration fee, field trips, special activities. Each provider shall certify that additional charges are not being made or collected.

IV. Payment Procedures and Fee Collection

A. Parent fees may be paid by the parent directly to the contractor or to the child care provider who provides the service. In the event that the parent pays the fee to the provider, the provider shall properly document and report the amount, and the contractor will offset the fee amount in calculating the payment for the provider. The contractor shall therefore report as income the amount of the fee collected and retained by the provider. In addition, the contractor shall report the expense of its payment to the provider and the amount of fees which served in lieu of payment from the contractor to the provider.

B. Claims for payment by the parent and the provider of services rendered shall include sign-in and sign-out sheets, showing daily times in and out. Documentation of excused absences is required.

C. The contractor shall have on file a signed written agreement with each provider, a copy of which is signed by the provider and contracting agency representative.

This agreement shall include the following:

1. Services to be provided

2. Conditions and schedule for payment

3. Provider's fee, based on the provider's statement of usual and customary charges for the same services provided to children of nonsubsidized families; clarification that usual and customary services (such as food and supplies) are to be included in the cost/fees

4. Provider's signed agreement to remain in compliance with applicable licensing laws and regulations and to renew licenses prior to expiration

5. Nondiscrimination statement

6. A statement certifying that services do not include religious instruction or worship

V. Agency Administration and Support Services

A. Alternative payment agencies shall have a viable and active governing board. Agency policy shall be determined by the governing board or its designees. Records of minutes of duly authorized board meetings shall be retained at the agency and made available to State Department of Education staff for review. The following information shall be on file with the State Department of Education/Office of Child Development:

- Board members' names and addresses
- A copy of the governing board's Articles of Incorporation and bylaws

B. To offer maximum support for parents and providers, alternative payment programs shall use local resource and referral services. In communities where there are no resource and referral agencies, alternative payment programs shall provide the following support services:

1. Information for parents to assist them in making informed choices

2. Professional and technical assistance and information for providers

3. Parenting information

VI. Contractor's Administrative Cost

Administrative cost claims from alternative payment contractors in fiscal year 1982-83 shall be twenty-five percent (25%) of the contract maximum, when sufficient service has been provided to earn that amount, or actual administrative costs, whichever is less.

I. Maximum Earning Levels

Child Care and Development Programs provide child development services to certified families pursuant to a local agreement (contract) with the Department of Education, Office of Child Development. These local agreements provide for a maximum funding amount, referred to as maximum reimbursable amount (MRA), that the local agency may earn through the provision of child development services to certified families. In no case may reimbursement exceed the maximum reimbursable amount.

Reimbursement for School-Age Parenting and Infant Development Programs is based on a maximum unit rate as established in the Funding Terms and Conditions or actual and allowable net costs, whichever is less, but in no case may reimbursement exceed the maximum reimbursable amount indicated in the local agreement.

Reimbursement for special programs for the severely handicapped is based on a maximum rate per child hour of attendance as established in the local agreement or actual and allowable net costs, whichever is less. In no case may reimbursement exceed the maximum reimbursable amount noted in the local agreement.

Reimbursement for county welfare departments is based on a maximum rate per child hour of attendance as established in the local agreement or actual and allowable net costs, whichever is less, minus any parent fees received from the certified families. In no case may reimbursement exceed the maximum reimbursable amount.

Reimbursement for resource and referral programs is based on actual and allowable net costs or maximum reimburseable amount, whichever is less.

Reimbursement for all other child development programs is based on enrollment and reimbursable costs. Reimbursement is limited to the least of the following:

A. Maximum reimbursable amount minus parent fees received from certified families

B. Actual and allowable net costs per child day of enrollment for certified children minus parent fees received from certified families

C. Maximum rate per child day of enrollment as specified in the local agreement, multiplied by total certified child days of enrollment, minus parent fees received from certified families

Parent fees may be "earned" through the provision of service beyond that required to earn the contract maximum.

II. Actual and Allowable Net Costs

Actual and allowable net costs are the balance of total program costs remaining after restricted program income and nonreimbursable expenditures have been deducted.

III. Restricted Program Income

When a donor or grantor restricts the use of donated funds to goods or services normally reimbursable by SDE, such funds are defined as restricted program income. Such funds are deducted from total program costs before determining actual and allowable net costs. Therefore, these funds should not be reported until there is an off-setting cost or obligation reported. Restricted program income includes, but is not limited to, child care food subsidy, rent subsidy, and revenue sharing funds.

IV. Other Restricted Income

Other restricted income is income received by the agency on which the donor or grantor restricts the use of the funds to costs that are not reimbursable with local agreement funds. An example is funds donated for the purchase of nonreimbursable capital outlay items. Other restricted income is not deducted from total program costs; therefore, the contractor may report such income at either the time of receipt or at the time that expenses are incurred.

V. Nonrestricted Income

When the donor or grantor places no restrictions on the use of donated funds, such funds are defined as nonrestricted income. Nonrestricted income is not deducted from the total program costs, and therefore may be reported either at the time of receipt or expenditure.

VI. Nonreimbursable Costs

Nonreimbursable costs are costs that are not reimbursable by the State. The Department of Education will deduct nonreimbursable costs from total program costs prior to determining actual and allowable net costs. The Department of Education has adopted the cost principles contained in 34 Code of Federal Regulations (CFR), Part 74 and in Office of Management and Budget Circular A-122, with some modifications. In any case in which the local agreement or the Funding Terms and Conditions are in conflict with 34 CFR Part 74 or OMB Circular A-122, the provisions of the local agreement shall govern.

VII. Child Development Fund and Order of Expenditures

The child development fund and the order of expenditures are controlled by Section 17906 of the California Administrative Code, Title 5.

VIII. Conflicts of Interest

The local agreement requires that governing boards conduct business "at arm's length." This means that the individual board members, key employees of the board, or the family of either a board member or a key employee of the board shall not profit or benefit because of any board action. The policy on conflicts of interest is described in Funding Terms and Conditions.

IX. Depreciation and Use Allowance

Compensation for the use of property or equipment owned by the contractor is through application of depreciation or a use allowance. (Note: Rent is not an allowable claim for owned property.) A depreciation or use allowance may be claimed for owned property, except in the following instances:

Assets are acquired with public funds.

Assets are donated.

Assets are purchased with donated funds.

Taxes, necessary insurance, and maintenance may be claimed in addition to depreciation or a use allowance.

Child development contractors must maintain adequate records with respect to acquisition cost and may not claim depreciation or use allowance without such records.

A. Depreciation

The amount of the annual claim for depreciation is determined by dividing the acquisition cost (less any residual value) by the estimated useful life of the asset. Example: A piece of equipment costs $1,100 and is expected to last for ten years. The estimated value of the equipment at the end of ten years is $100. To find the yearly depreciation value, the residual value ($100) is subtracted from the acquisition cost ($1,100). The resulting figure ($1,000) is then divided by the life expectancy (10 years).

The life expectancy, or period of useful service, is the period that starts with the date of acquisition and ends on the date the asset is fully depreciated. The length of this period should be estimated accurately and realistically. The estimate should reflect consideration of the type of construction, the nature of equipment used, and the renewal or replacement policies followed for individual items or classes of assets involved.

Depreciation cannot be claimed on any asset considered to be fully depreciated.

B. Use Allowance

A reasonable use allowance may be negotiated with the Department of Education for assets which have been fully depreciated. The cost of the facility or item involved, the estimated useful life remaining at the time of negotiation, the actual replacement policy followed, the effect of any increased maintenance charges or decreased efficiency due to age, and any other factors pertinent to the utilization of the facility would be considered in negotiations.

The use allowance for buildings and improvements will be computed at an annual rate not exceeding 2 percent of the original acquisition cost. The use allowance for equipment will be computed at an annual rate not exceeding 6-2/3 percent of the original acquisition cost of usable equipment.

X. Capital Outlay

Capital outlay expenditures for sites, buildings and building improvements, building fixtures, and service systems are reimbursable only as depreciation or use allowance.

Capital outlay expenditures for which the purchase cost may be claimed from local agreement funds are:

A. Instructional items that are used by the staff and/or the children enrolled in the child development program

B. Items of classroom furniture and other equipment essential to the operation of the program

Agencies wishing to purchase equipment with local agreement funds are to submit a "Request for Approval of Equipment" (Form CD-2703) prior to purchasing items of equipment over $500. The Office of Child Development will act on the request and return the request form either approved or disapproved within fifteen (15) working days of its receipt in the Office of Child Development.

The Office of Surplus Property maintains a large inventory of items that are useful for child development programs. Office, classroom, and playground equipment are all available at reasonable cost. Contractors seeking approval from the Office of Child Development to use local agreement funds to purchase program-related classroom or office furniture and equipment are required to certify that they have contacted the Office of Surplus Property to determine whether the needed item of equipment is available. This requirement is not applicable to resource and referral agencies or other contractors who are legally ineligible to purchase surplus property.

The contractor is to maintain an inventory of all equipment purchased if contract funds were used. The inventory should include as a minimum:

A. The purchase date

B. Total acquisition cost (purchase price, less discounts, plus transportation, sales taxes, set-up costs, etc.) including percentage of contract funds used to acquire the equipment

C. Model or serial number of the equipment

D. Physical location of the property

If, upon termination of the local agreement, the contractor wishes to continue using the equipment, the contractor must request written authorization from the Office of Child Development. If written authorization is granted, the contractor will be required to compensate the state for the state's share of the cost.

XI. Indirect Costs

If a contractor operates multiple programs through various grants and contracts, there may be administrative and general expenses not easily assignable to one specific program. A contractor may, therefore, establish an indirect cost rate and apply the rate against all programs operated by the contractor. A cost allocation plan, in conformity with Circular A-122 published by the Federal Office of Management and Budget, must be on file with the contractor and available for review by the Department of Education and the auditor. Before the end of the contract period, contractors must submit forms provided by the Department of Education for approval of the indirect cost rate claimed. Such rate may not exceed 8 percent. School districts and county superintendents of schools may claim a rate not to exceed the state restricted indirect cost rate. Cost allocation plans to establish indirect cost rates are approved by the Local Assistance Bureau or the State Department of Education. Contractors must verify that all costs within the plan are reimbursable through the local agreement.

XII. Start-Up Costs

Start-up costs are those one-time-only costs associated with the starting or expanding of a child development program due to initiation of or an increase in the amount of the local agreement and may include:

A. Employment and orientation of necessary staff

B. Setting up of the program and facility

C. Finalization of rental agreements and the making of necessary deposits

D. Purchase of a reasonable inventory of materials and supplies

E. Purchase of an initial premium for insurance

Contractors may spend up to 15 percent of their local agreement amount (or 15 percent of expansion funds, whichever is less) for start-up costs. If all or part of the 15 percent allowable start-up portion is needed and spent in the five permissible areas, that portion will not have to be "earned" through the provision of services. If, however, an agency neither needs nor chooses to claim any of the 15 percent start-up portion of its local agreement on start-up costs, the full service requirement must be earned at the ADE level indicated on the local agreement. Start-up costs must be incurred prior to the attainment of full enrollment, i.e., required ADE, and may not exceed 30 days for migrant programs and 60 days for all other programs.

XIII. Adjustment Factors for Children with Special Needs

In order to reflect the additional expense of serving children with special needs, the provider agency's reported child days of enrollment for these children shall be multiplied by the adjustment factors listed below.

These adjustment factors shall apply only to those programs whose assigned reimbursement rates are at or below the standard reimbursement rate.

A. For infants to 2 years of age, the adjustment factor shall be 1.3.

B. For handicapped children to 14 years of age, the adjustment factor shall be 1.1.

C. For children enrolled in programs for the severely handicapped, the adjustment factor shall be 1.3.

D. For children to age 14 at risk of neglect, abuse, or exploitation, the adjustment factor shall be 1.1.

E. For limited-English speaking and non-English-speaking children age 2 through kindergarten, the adjustment factor shall be 1.1.

Use of these adjustment factors shall not increase the provider agency's total annual allocation.

Days of enrollment for children having more than one special need shall not be reported under more than one of the above categories.

XIV. Contract Amendments and Budget Revision

A local agreement may be amended to modify any local agreement provision, including an increase or decrease in one or more of the following:

A. The funding amount

B. The minimum days of operation

C. The minimum average daily enrollment

D. The maximum daily rate per child per day of full-time enrollment

A budget revision involves a transfer of budgeted amounts among the various account line items. A budget revision cannot be used to change the total amount of the local agreement. Prior approval from the Department of Education is not required for a budget revision, but the contractor shall provide for the assigned state consultant a copy of the revised budget within thirty (30) days of a budget revision.

XV. Noncompliance

Certification of compliance with applicable laws, rules, and regulations is required on a monthly basis. Noncompliance with contract provisions, and/or failure to submit certification of compliance at any time during the funding period may serve as a basis for the Department of Education to terminate the local agreement or for a reduction in or withholding of reimbursements.

XVI. Reimbursement Limited to Costs for Eligible Children

Local agreement funds may not be used to pay any portion of the cost of care for families who do not meet state eligibility criteria. The costs of serving noneligible children must be paid directly by the family or from other local resources.

XVII. Enrollment and Attendance Accounting

All contractors are to maintain sign-in, sign-out sheets as a primary source document for audit and reimbursement purposes.

All children, whether the child care is nonsubsidized or state subsidized, should be signed in and out. Parents, parents' designees, and others who bring children to the child development program are to sign them in and out daily on their arrivals and departures. The parent's initials are sufficient. Exact times of arrival and departure should be recorded. Staff members should sign the children in and out daily if the children arrive at and depart from the program by other means and are not accompanied by parent or parent's designees. In addition, form CD-9400, "Enrollment and Attendance Register for Child Development Programs," or a comparable state-approved form or system is required to provide an auditable record of days of operation, child days/hours of enrollment, and child days/hours of attendance. Current enrollment and certification records are to be maintained by all child development contractors.

Verification of excused absences in the form of statements signed by either a staff member, a parent, or a doctor are to be maintained by the agency as the primary source document for audit purposes.

Parents or guardians may be telephoned to ascertain the reasons for absences. Such calls should be made by the child's teacher, teacher assistant, or other authorized staff member. The reasons for absences are to be noted, signed by the staff person who made the call, and kept on file for future audit purposes.

XVIII. Fiscal Reports

All general child development contractors, Alternative Payment and Resource and Referral programs will report five (5) times during the year on Form CD-9500; School-Age Parenting and Infant Development Programs will report five (5) times during the year on Form CD-6507; Special Programs for the Severely Handicapped will report five (5) times during the year on Form CD-1400; Campus Child Care and Development Programs will report five (5) times during the year on Form CD-9500b; Migrant Child Care and Development Programs will report monthly on Form CD-9500 Mig.; State Preschool Programs will report five (5) times

during the year on Form CD-8200. All programs will provide a monthly certification statement of contract compliance.

The first report is to be submitted for the months of July, August, and September and is due in the Office of Child Development on October 15. The second report is to be submitted for the months of October, November, and December and is due in the Office of Child Development on January 15. The third report is to be submitted for the months of January and February and is due in the Office of Child Development on March 15. The fourth report, for the month of March, is due in the Office of Child Development on April 15. The fifth report, for the months of April, May and June, is due in the Office of Child Development on July 15. The regular monthly apportionment may be reduced up to fifty percent (50%) if the fiscal report is not received in the Office of Child Development within five (5) calendar days of the due date. Prior notice of a reduction will initially be given by the Office of Child Development by telephone and will be followed by a written notice.

XIX. Subcontracts

All subcontracts (with the exception of those exempted in Section XIX C.) in excess of five thousand dollars ($5,000) are to be submitted for prior written approval to the Office of Child Development if the contractor is requesting reimbursement from the State. Reimbursement will be within the maximum contract amount.

A. A subcontract will not be approved if it does not make adequate provision for items one through thirteen below.

1. The subcontract must have a beginning and ending date. The beginning date must not be prior to the beginning date of the local agreement with the State. The ending date should not extend beyond the ending date of the local agreement with the State.

2. All subcontracts are subject to audit.

3. A specific dollar amount must be stated in the subcontract (or an amount not to exceed a maximum dollar amount). Cost-plus-a-percentage-of-cost subcontracts will not be approved.

4. The specific service(s) being purchased or being provided by the subcontractor must be clearly identified.

5. The responsibilities of the contractor and the subcontractor must be clearly identified.

6. The subcontractor must agree to indemnify and save harmless the State of California and its officers, agents and employees from any and all claims and losses occurring or resulting to any and all contractors, subcontractors, materialmen, laborers, and any other person, firm, or corporation furnishing or supplying work, services, materials, or supplies in connection with the performance of the subcontract, and from any and all claims and losses occurring or resulting to any person, firm, or corporation that may be injured or damaged by the subcontractor in the performance of the subcontract.

7. The subcontractor and the agents and employees of the subcontractor, in the performance of the subcontract, are acting in an independent capacity and not as officers or employees or agents of the State of California.

8. No alteration or variation of the terms of the subcontract shall be valid unless made in writing and signed by the contractor and the subcontractor, and no oral understanding or agreement not incorporated in the subcontract shall be binding on either party to the subcontract.

9. The subcontractor must maintain (or provide to your agency) records for program review, evaluation, audit and/or other purposes and make them available to the agents of the State. Such records shall be maintained for a minimum of five (5) years.

10. The Fair Employment Practices Addendum must be attached to, referenced in, and considered part of the subcontract.

11. Subcontracts in excess of $10,000 shall describe the remedies for violation or breach of contract and shall contain termination clauses.

12. Title to any equipment or supplies purchased with state funds rests with the subcontractor only so long as the subcontract is in effect. Upon termination of the subcontract, title to all equipment and remaining supplies shall revert to the contractor. The purchase of any unit of equipment costing more than $500 and/or having a useful life expectancy of two years or more and purchased with state funds shall have prior written authorization from the contractor and the state.

13. Any amendments or alterations are subject to review and approval by the Department of Education.

B. The following items are suggestions for inclusion in subcontracts to protect the interests of the contractor:

1. Funding (final approval) of the subcontract should be made subject to the appropriation and availability of funds from the Department of Education.

2. All subcontracts should contain a provision that the subcontractor is liable for any audit exception caused by, or as a result of, the subcontractor's lack of performance as required by the subcontract.

3. The subcontract should provide that the subcontractor and his or her agents and employees, in the performance of the subcontract, are acting in an independent capacity and not as agents or employees of the prime contractor.

4. Subcontracts in excess of $5,000 should not become effective and binding on either the prime contractor or the subcontractor until approved in writing by the Department of Education, and any work performed by the subcontractor prior to the date of such approval by the Department of Education shall not be used as a claim against the state.

5. The consideration paid to the subcontractor, as provided in the subcontract, should be stated to be full compensation for all of the subcontractor's

expenses incurred in the performance of the subcontract.

While the exact wording of any of the above subcontract provisions are subject to local variation, it is important that provisions one through thirteen of Section XIX A be included in all subcontracts.

C. Exempt Subcontracts

The following types of subcontracts will not require prior written authorization from the State Department of Education:

1. Subcontracts for audit or bookkeeping services
2. Subcontracts for janitorial or grounds maintenance service
3. Employment contracts, i.e., teacher contracts
4. Subcontracts for child development service when the prime contractor is a public agency
5. Subcontracts of alternative payment agencies with service providers
6. Subcontracts for food services if the contractor does not have a food service agreement with the SDE's Office of Child Nutrition Services

No subcontract shall in any way relieve the contractor of any responsibility for performance under this contract.

XX. Reasonable and Necessary Costs

Child care and development contractors are reimbursed for actual and allowable costs. Actual costs are limited to expenses which are considered reasonable and necessary for providing services to families who are eligible for state subsidized child development services.

A cost is considered reasonable and necessary if it does not exceed what would be incurred by an ordinarily prudent person in the conduct of a competitive business.

The reasonableness of any specific costs must be scrutinized with particular care for transactions or expenses

involving parties, firms, or separate business entities which may not be subject to the restraints of competition. What is reasonable depends upon a variety of considerations, including:

A. Whether the cost is of a type generally recognized as ordinary and necessary for the conduct of the contractor's business

B. The restraints or requirements imposed by generally accepted sound business practices, arm's length bargaining, state laws and regulations, and contract terms and specifications

C. The action that prudent business people would take in the circumstances, considering their responsibilities to the owners of the business, the employees, the customers, the government, and the public at large

XXI. Fiscal Accounting

An accounting system is a method of keeping track of income and expenditures for fiscal management purposes. The system used (cash, accrual, modified accrual) should be easily understood by and be accessible to the people in the organization who have responsibility for contract performance. The accounting system (including any necessary ledgers) should be set up in such a way that the director and board members know at any time, and without the assistance of an accountant, how much has been spent for any line item and the amounts payable. The director and board members should also be able to project through the end of the fiscal year what additional funds, if any, will be needed for any line item. Regardless of the system used, all costs are to be accrued on June 30.

XXII. Operational Budget

The operational budget should not be confused with the contract budget which is a part of the child care and development contract. The operational budget developed by the contractor should include anticipated income from all sources, both OCD and local, and all projected expenditures. It should be set up in such a way that the program director can readily compare the pattern of actual expenditures with the operational budget and make adjustments throughout the contract period as needed.

This is particularly important in the third and fourth quarters so that actual expenditures will not exceed total income.

Anticipated income may include but is not limited to:

A. Apportionments from the Office of Child Development

B. Reimbursement from the Child Care Food and Nutrition Program (Restricted Program Income)

C. County Maintenance of Effort Funds

D. Revenue Sharing Funds (Restricted Program Income)

E. Parent Fees

F. Rent Subsidy Funds (Restricted Program Income)

G. United Way Funds

H. Donations and Grants

XXIII. Administrative Appeal

In most instances, appeals from local contractors may be expeditiously resolved through an administrative appeal to the Office of Child Development.

The process for such an administrative appeal, which precedes the formal appeal process described in Education Code Section 8402 et seq., involves three steps:

A. Submit a letter to the Office of Child Development consultant assigned to your program which describes the problem and contains all relevant documentation of the issue that is being appealed, and clearly indicate that the matter is being referred for administrative review.

B. The Office of Child Development consultant will review relevant facts of the appeal, make a recommendation, and refer the matter to the Office of Child Development management group. The administrative group will review the matter and all relevant documentation and make a decision. If additional information is required, the individual who asked for the appeal will be called by the regional administrator.

C. Notification of the decision will be made in a letter from the program consultant.

Issues referred for administrative appeal will be resolved within a fifteen (15) day period from the receipt of the appeal letter in the Office of Child Development.

If a contractor wishes to undertake a more formal appeal, Section 8402 et seq. of the Education Code provides for a hearing conducted by the State Office of Administrative Hearings.

Other Publications Available from the Department of Education

Child Development Program Guidelines is one of approximately 500 publications that are available from the California State Department of Education. Some of the more recent publications or those most widely used are the following:

American Indian Education Handbook (1982)	$3.50
Bilingual Program, Policy, and Assessment Issues (1980)	3.25
California Private School Directory	9.00
California Public School Directory	12.50
Child Development Program Administrative Manual (In binder) (1981)	22.50
Child Development Program Directory (1980)	4.00
Child Development Program Guidelines (1983)	3.75
Child Development Program Quality Review (1982)	3.25
Curriculum Design for Parenthood Education (1982)	4.00
Discussion Guide for the California School Improvement Program (1978)	1.50*†
District Master Plan for School Improvement (1979)	1.50*
Education of Gifted and Talented Pupils (1979)	2.50
Establishing School Site Councils: The California School Improvement Program (1977)	1.50*†
Foreign Language Framework for California Public Schools (1980)	2.50
Guide to School and Community Action (1981)	1.75
Handbook for Planning an Effective Mathematics Program (1982)	2.00*
Handbook for Planning an Effective Reading Program (1983)	1.50*
Handbook for Planning an Effective Writing Program (1983)	2.50*
Handicapped Infant and Preschool Children: Program Guidelines (1981)	2.50
History - Social Science Framework for California Public Schools (1981)	2.25
Improving the Human Environment of Schools (1979)	2.50
Improving Writing in California Public Schools: Problems and Solutions (1983)	2.00
Mathematics Framework for California Public Schools, with 1980 Addendum (1982)	2.00
Monograph on Staff Development (1980)	1.50
New Era in Special Education: California's Master Plan in Action (1980)	2.00
Pedestrian Rules of the Road in California - Primary Edition (1980)	1.50
Physical Performance Test for California, Revised Edition (1982)	1.50
Planning for Multicultural Education as a Part of School Improvement (1979)	1.25*
Planning Handbook (1978)	1.50*
Preschool Program Guidelines (1983)	2.70
Putting It Together with Parents (1979)	.85†
Raising Expectations: Model Graduation Requirements (1983)	2.75
Reading Framework for California Public Schools (1980)	1.75
Relationship Between Nutrition and Student Achievement, Behavior, and Health (1980)	4.00
Science Education for the 1980s (1982)	2.00*
Science Framework for California Public Schools (1978)	1.65
School Improvement: Making California Education Better (brochure) (1982)	NC*
Statements on Competencies in English and Mathematics Expected of Entering Freshmen (1982)	2.50
Student Achievement in California Schools	2.00
Students' Rights and Responsibilities Handbook (1980)	1.50†
Teaching About Sexually Transmitted Diseases (1980)	1.65
Toward More Human Schools (1981)	1.75
Visual and Performing Arts Framework for California Public Schools (1982)	3.25

Orders should be directed to:

California State Department of Education
P.O. Box 271
Sacramento, CA 95802

Remittance or purchase order must accompany order. Purchase orders without checks are accepted only from government agencies in California. Sales tax should be added to all orders from California purchasers.

A complete list of publications available from the Department may be obtained by writing to the address listed above.

*Developed for implementation of School Improvement.
†Also available in Spanish at the price indicated.

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